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Social networks and getting a home: Do contacts matter?

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ABSTRACT

Under what conditions does one find a new home via one's social network? Does the way in which a house is acquired affect how satisfied one is with the house? We formulate hypotheses on the characteristics of personal networks, the context of the move and their effect on those who attain a house through informal channels and how satisfied they are with the new home. We use a representative dataset from the Netherlands (the Survey of the Social Networks of the Dutch, SSND, $n = 1007$) to test our arguments. Our results show that buyers with more diverse social networks and renters with larger social networks are more likely to find their home via social contacts. However, finding a home through an informal channel does not enhance their satisfaction with the house that is found.

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1. Introduction

Persons who are looking for a new home can find it in several ways. They may find a home through formal ways like newspapers or electronic media, community housing programmes, housing corporations or estate agents. However, they might also use informal channels (DiMaggio and Louch, 1998; Abraham and Kropp, 2000). Attaining a good via social networks is believed to be advantageous for several reasons, because networks provide general information on a whole range of offers. They also offer detailed information on specific offers that often strongly correspond with people's needs or tastes. Finally, they give an estimate of the quality of other people's performance and they reduce the risks of opportunism connected to the transactions of goods of which the quality is hard to establish (see DiMaggio and Louch, 1998, p. 623; see also Simpson and McGrimmon, 2008). In this contribution, we focus on the attainment of a specific good, i.e. finding a home. We examine which network characteristics and other circumstances at the time when people move make them more likely to find their home via social networks. Furthermore, as an indication of positive outcomes of using social networks in finding a home, we establish whether those who found their home via their networks are more satisfied with these homes.

Various conditions will influence the use of social networks in market situations. First of all, contextual conditions like market conditions are of course relevant, for example, the supply of the goods in question. Second, the characteristics of a person's network, like its composition and size, will also influence the likelihood

of using relationships for attaining a certain good. For example, a large network composed of high status people usually is an asset in market situations.

Our study is inspired by the theoretical literature on information searching and the more empirical literature on returns of social networks in the field of occupational attainment. The connection between the two is that, according to an important auxiliary assumption of search theory, an information search through informal channels lowers the search costs. Furthermore, there are important similarities between searching for a house and searching for a job (see below). Finally, we argue that the way in which one has attained a home will affect one's satisfaction with the home that is attained. The way in which one has achieved a home has not yet been included in the explanation of housing satisfaction.

With our article, we want to contribute to the further development of social capital theory (e.g. see Flap and Völker, 2005). We focus on the dimensions of social capital – the numbers of helpers, their interconnection and the resources these network members provide – and inquire which of these dimensions is productive in finding a house, and in finding a house one is satisfied with.

The study of home attainment is particularly interesting because it is one of the largest expenditures in life. For instance, an average Dutch household spends almost 25% of its income on housing and house care (Central Bureau for Statistics, 2008). Further, because one is confronted with one's housing situation every day, satisfaction with housing will determine a main part of a person's life quality.

The remainder of this contribution is organized as follows: we first present earlier research on network use and home achievement. Next, we describe the theoretical background of network use in economic transactions and present our hypotheses. We test these hypotheses with a national representative dataset on social

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networks and the returns of social capital (SSND, 2000, see Völker and Flap, 2002). Finally, we discuss our findings and draw conclusions.

2. Earlier research on networks and finding a home

2.1. Finding a home

Although a considerable proportion of people, usually 25% or more, find their homes via social networks, research on social network use in finding a home has been rather rare and not very detailed. We discuss two exceptions: the study by DiMaggio and Louch (1998) and the one by Abraham and Kropp (2000). With US-representative data from the 1996 General Social Survey, DiMaggio and Louch (1998) studied what kinds of economic transactions most often take place within social networks. The authors found that 34% of all purchased homes were bought from family, friends or acquaintances. The study focused in particular on the question of whether economic exchanges take place between buyers and sellers from the same social network. The authors did not restrict themselves to housing, but also studied purchases of cars as well as legal and home maintenance services. They argued that people are more likely to trade with network partners if transactions are large and infrequent (DiMaggio and Louch, 1998, p. 626). Relying on personal networks in these cases lowers the risk of opportunistic behaviour. In the case of small transactions, people care less about being betrayed. For small and in particular for unrepeated transactions, like taking a taxi in a foreign city, being taking advantage of is not a rare phenomenon. For repeated transactions business partners are kept from taking advantage because of their interest in trading again in the future. Yet, in cases of large and infrequent, unrepeated transactions, people are more wary of opportunistic business partners. Therefore, consumers were expected to rely more on their informal relationships in cases of these transactions.

Abraham and Kropp (2000) focused explicitly on how people found their house in Leipzig, Germany. Here, 27% searched for housing via their networks and 24% also found their homes this way. This shows the effectiveness of a network search: 90% of those who looked for a home via social networks also found it this way. Consistent with the idea that networks rich in resources provide more opportunities, Leipzig's movers were more likely to search for housing via social networks if they had larger social networks. Yet, a greater diversity of the network with respect to the social status of its members did not increase the chance to search for an apartment via social networks. Furthermore, Abraham and Kropp (2000) argue that a higher damage potential, i.e. the risk that one buys or hires a house which is not worth the money one has paid, makes searching via networks more likely. In addition, the authors showed in which situations people will *not* use their social networks: when moves are very urgent, searching through networks costs too much time. Socio-demographic characteristics such as education, net income, household size and the number of children had no impact on social network use and network diversity did not matter.

In summary, it seems that (i) searching houses via social networks is an appropriate method and, consequently, many houses are found through networks. Furthermore, (ii) network size seems to be important in this process.

2.2. Satisfaction with one's home

The research literature on housing satisfaction can roughly be divided into two strands. On the one hand, there is literature, usually in the field of sociology and social geography, emphasizing that neighbourhoods and the quality of neighbourhood contacts

influence satisfaction with the home (e.g. Morris et al., 1976). On the other hand, there are more psychological studies in which it is argued that housing satisfaction – like every other kind of satisfaction – is the degree of association between a person's aspiration and his actual situation (e.g. Gruber and Shelton, 1987; Galster, 1987; Kleit and Manzo, 2006). Next to these strands of research, there are studies on how to increase incentives to move for certain social groups (see, e.g. Varaday and Preiser, 1998). All the different strands share the assumption that housing satisfaction is an important component of an individual's quality of life.

Furthermore, many policy studies and governmental programmes also inquire into housing satisfaction. It is studied how relocation programmes affect housing satisfaction (see Popkin et al., 2002; Smith and Ferryman, 2006, who focus on the situation of elderly people when they are relocated; see Johnson et al., 2002, who investigate relocation among the poor). Kleit and Manzo (2006) showed that, in the decision to move, the evaluation of the housing and the neighbourhood environment are very important, next to a person's family situation.

In their study, DiMaggio and Louch (1998) also inquire into people's satisfaction with their house. The authors argue that housing satisfaction is improved through the use of social ties, because better information is provided by these informal channels. They indeed found that buyers who had bought their houses from someone in their network were likely to report high levels of satisfaction (DiMaggio and Louch, 1998, p. 633).

It is also shown that people who live in homes with more rooms are more satisfied (Ginsberg and Churchman, 1984). Varaday and Preiser (1998) also found that those who have more available space are more satisfied. Furthermore, those who have good neighbourhood contacts are more satisfied with their house (Morris et al., 1976). As to the role of neighbourhood contacts, Vale (1997) argued that a neighbourhood network of strong ties enhances satisfaction with the house, even when confronted with incisive problems in that neighbourhood, e.g. crime or other residential problems. In other studies (see, for instance, Rohe and Stegman, 1994), satisfaction is more broadly conceived of as life satisfaction. It is known that home ownership increases life satisfaction considerably. Housing satisfaction is often investigated as a part of community satisfaction. In these studies, it is actually shown that the characteristics of houses matter as much as the broader environment, such as the social composition of the neighbourhood as well as its physical characteristics (see Marans and Rodgers, 1974; Herting and Guest, 1985).

In the development of the research, many conditions – of a personal, physical, demographic, geographic and social nature – have been said to be important in the explanation of housing satisfaction (see Erdogan et al., 2007 for an overview). There is general agreement that housing satisfaction is a rather complex phenomenon and therefore difficult to explain (Erdogan et al., 2007). Studies differ considerably in their theoretical assumptions, sampling and methods of analysis as well. In addition, the measurement of satisfaction is not without obstacles (see Varaday and Preiser, 1998). People who are really not satisfied leave their house as quickly as possible. Those who stay are all reasonably satisfied, but sometimes for very different reasons, e.g. depending on the work and family situation. Another problem with measuring housing satisfaction is its high association with neighbourhood evaluation in general (see Gruber and Shelton, 1987). Furthermore, it is discussed whether analysing satisfaction as an interval scaled variable is appropriate or whether it is better to treat it as an ordinal scale (see Lu, 1999).

It is not clear how inconsistencies in findings can be interpreted. Yet, in spite of all these difficulties, there are conditions that have rather robust effects on housing satisfaction. These relate to the financial costs of the new home, and the social aspects of the

interaction with neighbours, e.g. the absence of problems in the neighbourhood (see Varaday and Preiser, 1998). Here, we control for these predictors of housing satisfaction. In addition, we will inquire whether the way of attaining the house affects the satisfaction with the house.

3. Theoretical background and hypotheses

3.1. General frame

We will use the economic search costs theory to come to predictions on how networks help in finding a house and a house that is satisfying. We also borrow some insights from research on searching for a job because there are important similarities between searching for a new house and searching for a new job.

According to the information search theory (see, e.g. Brown, 1965, pp. 191–198), individuals calculate costs and benefits for different search methods and use the method with the highest net benefit. Moreover, an individual who looks for a certain good will search for new information as long as the expected benefit in outcomes outstrips the additional search costs (Stigler, 1961). Also, importantly, the use of informal channels lowers the search costs. This latter assumption implies that searching through informal channels will usually lead to more positive outcomes. Therefore, it is relevant to look at the role of networks in search processes on various markets.

In the last decennia, it has been argued theoretically and shown empirically on various markets that access to and use of social contacts has certain benefits. The study on job attainment and the role of social networks on labour markets is one of the research areas where relatively much progress has been made (Lin, 1999; Marsden and Gorman, 2001). Moreover, as there are important similarities between searching for a house and searching for a job, e.g. it is about infrequent transactions that involve quite some insecurity, several things related to finding a home can be learned from studying how people find a job. Finally, we argue that finding a home through informal channels will positively affect one's satisfaction with the home attained. The way in which one has achieved a home has not yet been included in the explanation of housing satisfaction.

We are aware, however, that houses and jobs are goods which also differ from each other in a number of respects. To give an example, the person who sells a house or mediates the transaction is not completely comparable to the employer, amongst other reasons because the buyer or the tenant usually does not interact any more with the seller or the estate manager after the purchase or the signing of the lease is completed, whereas one will continue to have regular contact with the employer. Yet, despite these differences, networks can provide information on jobs as well as on houses.

What arguments exist or can be formulated regarding the search process through personal contacts? The fact that social networks play a role when buying or renting a house, or in consumer transactions in general, implies that prices are not generally known. They are not 'written in the sky': markets are not perfect and not all the information is available to all players. In a perfect market, a person looking for a house would know all the details about all the houses available. Potential buyers or renters would be just as well informed about the house as the current owner or landlord. Yet, finding a home in the real world is more complicated. People who look for a home only know about a fraction of the available houses. Acquiring all the relevant information about houses costs quite some time, individual energy and money. So, networks might help in collecting information on what houses are on offer or for rent. Moreover, informal channels often provide information with

the right timing. It does not make much sense to be the 3007th person who is looking for a new job or a new place to live and who reads about a vacancy or a house for rent in a newspaper. You need to be among the first to hear about such an opportunity (Granovetter, 1974). In addition, the information people dispose of is nearly always not symmetric: buyers or renters do not know as much about the quality of the houses as sellers, estate brokers or landlords. Because of this asymmetry, buyers or renters cannot be sure whether they have received all the information relevant to making their decision. In such a setting, where individuals are confronted with the problem of attaining valid and reliable information, social networks can provide in-depth information on the details of specific offers someone is interested in. Informal ties will inform on the 'hidden' problems of a house. What is said here reflects the two stages in the search process for occupations, as distinguished by Rees (1966). In the first stage, extensive information is searched for, that is: establishing the opportunities or offers one can choose from. In the second stage, more intensive information is sought on only a few offers that seem more interesting. The benefits of social networks are in particular related to this intensive aspect. Importantly, this is a type of information which cannot be attained easily via other sources. The ability of social ties to provide in-depth information is related to an important benefit of relationships: the creation of trust (see Granovetter, 1985; Buskens and Raub, 2002; see also Frenzen and Davis, 1990). Buskens and Raub (2002) distinguish two mechanisms in the creation of trust: learning and control. The learning mechanism entails that social relations can serve as a source of information not only on the quality of the product on offer, but also on the likelihood that a specific trading partner will treat the buyer or renter honestly. The control mechanism entails that direct relationships encourage honest behaviour as partners usually want to trade again in the future. Additionally, ongoing economic relations can become overlaid with social expectations that inhibit opportunism (Granovetter, 1985). While home purchases or renting a home are typically unrepeatable transactions, people can have other social or trading relations with the seller or landlord of a house that will provide the former with information on the latter and that way inhibit dishonesty. Opportunistic business partners are kept in line by the threat of gaining a bad reputation.

Next to the *actual* use of social ties, the *potential* help in a given network by others who can be mobilized is also relevant in a search process. If people attempt to find a house via social contacts, they do not just need to have a social network but they must mobilize their available contacts. This distinction has also been made in studies on occupational attainment. Social capital or network resources consist on the one hand of the *actual used* relationships which provided a certain kind of help, but on the other hand they also consist of the resources one can access through one's ties to others and which can be *mobilized*.¹ In general, it is assumed that the more resources which can be mobilized, the better. The entire network can provide the opportunities for helpful contacts (see Lai et al., 1998, who studied occupational attainment). This implies that persons with a network rich in opportunities, i.e. other people who can be accessed, will not only be more likely to find a home via their

¹ Examples of research on the influence of accessible social capital on occupational attainment are Campbell et al. (1986) and Lin and Dumin (1986) for the US as well as Boxman et al. (1991) for the Netherlands. Examples of the influence of used social capital are Lin et al. (1981) for the US and De Graaf and Flap (1988) for the US, Germany and the Netherlands. De Graaf and Flap (1988) found that the mere use of social networks in a job search did not lead to a better job status, but that a higher status of a contact person did. However, one should note that there are also counterarguments for the role of social networks provided, e.g. Mouw (2003), Franzen and Hangartner (2005).

networks but they will also find a better home and therefore be more satisfied with the attained home.

On the basis of these arguments, we conclude that the likelihood of the use of networks in finding a home – just as any other good – originates in the potential of social relations to provide much new and in-depth information. This characteristic of social relationships depends, amongst others, on their embeddedness in the surrounding network. Furthermore, the amount of resources which can be accessed through networks affects the likelihood of finding a home via networks as well as finding a home that is really satisfying.

3.2. *Specific arguments and hypotheses*

In the following, we develop hypotheses. In doing so, we make a distinction between network characteristics on the one hand and contextual or situational characteristics which influence the likelihood of network use on the other hand. We provide arguments on the likelihood of finding a home via social networks while taking these two types of characteristics into account. Then, we argue on the outcomes of network use, i.e. on how satisfaction is influenced by networks.

3.2.1. *Network characteristics and house attainment*

The resources of one's network can be seen as a person's opportunities for the activation of useful contacts (see Lai et al., 1998). Although social capital is not universally fungible (Coleman, 1990) and is often goal-specific, the more people a person knows, the higher should be the likelihood that at least one person in the network can help to find a home. Therefore, we expect that larger networks enhance the likelihood of finding a home via social ties (hypothesis 1).

Yet, it is not only the size of a network which matters. One can know many others, yet if these are all similar in their resources – or their lack of resources – especially with regard to information on houses, finding a house through these ties will be less likely. Rather, networks that cover a large range of social positions, i.e. networks with a high diversity of the network members with regard to socio-demographic characteristics, are important here. The more diverse the members, the more diverse will be the help and information they can provide. Hence, a more diverse network should be more likely to provide useful help for a person who searches for a home (hypothesis 2).

As already mentioned, having access to people higher up the social ladder enables access to better resources (see Campbell et al., 1986; Lin and Dumin, 1986, who studied this for occupational attainment). The mechanism that is assumed to be underlying this process is that higher positions are scarce and have better information on the social structure. Therefore, they enable searchers to access different positions more easily (Lin, 1999). We argue that high status network members also help to find a house because people who are higher on the social ladder have more access in general and can therefore provide more and better information (hypothesis 3).

3.2.2. *Contextual characteristics affecting network use*

As mentioned in the introduction and shown by Abraham and Kropp (2000), there are important contextual characteristics which influence the attractiveness of searching through social networks. First, the physical distance between the location of origin and that of destination affects the role of social ties in the search process. For instance, a person moving from the Netherlands to New York will probably not know anybody who can provide information on houses in New York City. A network member living closer to the new destination is more able to know the local housing market. This so to say goal-specific social capital, specific to the goal of finding a house

in New York, is needed. Therefore, a searching person who knows somebody who already lives in the area will be likely to activate that contact. An assumption behind these arguments is that people decide on the area to which they want to move before they start searching. Under this assumption, we expect that those who know someone living in the area of the new home are likely to find that home via social contacts (hypothesis 4).

However, network use does not only depend on network characteristics, but also on the social situation of the person who searches for a new home. For instance, time pressure may change someone's preferences for search methods. Abraham and Kropp (2000) used the urgency of a move as a proxy for the costs of a network search. A network search has costs – in particular in time, and hence, if the move is urgent, these costs cannot be afforded. Another mechanism, not mentioned by the authors, is that information – also on housing – often pops up as a by-product of everyday conversations. Since the search period is probably shorter for urgent moves, people in need of a house do not have time to rely on these mechanisms. Based on this, we expect that in cases of urgent moves, people are less likely to find a house via social contacts (hypothesis 5).

Another factor that influences how people find their house is whether a house is bought or rented. Williamson (1985, pp. 52–61) regards the volume of a transaction as a major determinant of its damage potential. The volume of a transaction is much higher in buying than in renting. Consequently, the damage of buying and moving to a bad house will be much greater if it is own property than if it is rented. If a house is bought, all the savings that have been poured into the house are lost or at least at risk, while in the case of renting, the costs of moving are much lower. The higher the damage potential, the more actors will seek reliable and detailed information. They will prefer to know much about the few houses they consider rather than to know little about many houses. The search is intensive rather than extensive. Likewise, Flap and Boxman (2001) could show that employers are more likely to hire new employees based on in-depth information if the damage potential of a new hire is high. Under the assumption that people decide whether they want to rent or buy a house before they search for a new home, we expect that finding this house through networks is more likely in cases of buying than in cases of renting (hypothesis 6).

A further factor that influences social network use in finding a house is the market situation. Contrary to formal methods, informal methods do not provide information to everyone at the same time (Flap and Boxman, 1999). Given the scarcity in the supply of houses, the advantage of having information earlier can be crucial. So, scarcity on the market might enhance the attractiveness of networks for finding a home. Yet, one can also argue that the information attained through social ties has more of its value in the details and less in the broad general aspects, which one needs to know to be the first. In other words, it might be the case that one risks missing important information about new offers when one relies too much on informal channels. This would make the search via social networks less attractive in scarce market situations. Market scarcity usually results in high prices. Since we do not know which mechanism is effective here, we formulate an undirected hypothesis and just expect that the average housing prices in the area at the time of the move will influence the likelihood that people will find their homes via social networks (hypothesis 7).

3.2.3. *Outcomes of achieving a home via social networks: housing satisfaction*

How do social networks affect the satisfaction with the good attained? So far, studies on labour market outcomes show inconsistent results regarding job satisfaction. Granovetter (1974, p. 13) showed that those who attained their job through social ties are considerably more satisfied than those who found their job through

formal ways. Yet, [Wielgosz and Carpenter \(1987\)](#), in their study on re-employed workers, could not replicate [Granovetter's](#) finding. In the case of finding a house, [DiMaggio and Louch \(1998\)](#) have found extremely high satisfaction with a house when it is attained via social ties. [Granovetter's \(1974\)](#) argument on why network use leads to higher satisfaction relates to the in-depth information social ties can provide. Because of this particular information, which is not available through other means, the resulting 'match' between job and candidate, or – in our case – house and dweller, is better than in cases where other channels are used (see also [Granovetter \(1985\)](#) on the embeddedness in social relations which provide information). Likewise and as already mentioned, [DiMaggio and Louch \(1998, p. 633\)](#) argue that the higher satisfaction is a result of people's belief that they attain a better quality of information through social channels. Besides being of a better quality, we can also argue that information given by social contacts is more likely to be true since network members would forsake social relations if they provide wrong information. This is yet another mechanism that will protect buyers from disappointments and opportunistic behaviour. We follow these arguments and expect that if a person finds a home via a personal contact, s/he will be more likely to be satisfied with it (hypothesis 8).

Furthermore, it is generally assumed that better resources in terms of higher social status lead to better outcomes. This has been largely studied in research on occupational achievement (e.g. [Lin et al., 1981](#)). Also, when a house is purchased, a higher status of a contact person might be an advantage because a higher status person has access to more and better information and has a larger and richer network to mobilize. For a person who looks for a house, contact with a person who is well embedded in his or her personal network provides, apart from a large amount of information, an important source of indirect ties. The information and support provided might lead to a better 'fit' between the home and the new dweller. Hence, we expect that a higher social status of the person who helps to find the house enhances satisfaction with the house (hypothesis 9).

Lastly, we argue that the circumstances of a move are different for buyers of a house compared with renters. Financial costs are much lower for renters than for buyers. Furthermore, renters can much more easily leave the home and search again for a new one in the case that they are not satisfied. These different circumstances may also affect network use: e.g. high quality information is crucial for buyers but less important for renters. On the other hand, renters also benefit from networks because information for houses to rent is often more difficult to access. So, we are not sure how these differences will affect network use, but we will keep buyers and renters separate in our analyses. [Table 1](#) summarizes our hypotheses.

4. Data, analytic strategy and measurements

4.1. Data

The hypotheses are tested with the Survey of the Social Networks of the Dutch (SSND, 2000, $n = 1007$; see [Völker and Flap, 2002](#)). The sample is stratified by region and the number of inhabitants in that region. Forty municipalities were randomly selected from the regions of the Netherlands, while accounting for the degree of urbanization as well as the number of inhabitants. Within each municipality, four neighbourhoods were selected at random. Because of this sample structure, we can add regional information on housing prices and test for their influence on network use. The SSND data contain information on both buyers and renters of houses. In addition, the data contain information on how people

Table 1

Hypotheses on the likelihood of finding a home through social networks and on satisfaction with the home.

Hypotheses	
... on the likelihood of finding a home through personal contacts	
1 2 3	<p><i>Network characteristics</i></p> <p>The larger the social network of a person, the more likely the person will find a home via social contacts.</p> <p>The more diverse the social network of a person, the more likely the person will find a home via social contacts.</p> <p>The higher the average social status of the social network of a person, the more likely the person will find a home via social contacts.</p>
4 5 6 7	<p><i>Contextual characteristics</i></p> <p>If a person knows someone who lives in the area of the new home, finding a home via social contacts is more likely.</p> <p>If the move is urgent, finding a home via social contacts is less likely.</p> <p>If a house is bought and not rented, finding a home via social networks is more likely.</p> <p>Average housing prices in the area at the time of the move will influence the likelihood that people find their homes via social networks.</p>
8 9	<p><i>... on satisfaction with the home</i></p> <p>If a person finds a home via a personal contact, the person is more likely to be satisfied with that home than a person who finds a home via other channels.</p> <p>The higher the social status of the contact person, the more likely the mover will be satisfied with the home.</p>

found their homes as well as how satisfied they are with their dwellings.

The data were collected in face-to-face interviews. The response rate was 40%. Men, married people and higher educated people are slightly overrepresented. Weights to make the data representative of the Dutch population are taken from previous analyses of the data (see [van der Gaag, 2005](#), Table 2 of his Appendix A). These weights will be used in the subsequent descriptions of the data. In multivariate analyses, we control for the characteristics which are somewhat biased in the sample compared with the Dutch population.

4.2. Analyses

There will be two logistic regression analyses, the first on the likelihood of finding a home via social contacts and the second on the likelihood of being highly satisfied with the home.

4.3. Dependent variables

In the questionnaire, people were asked in which way they found their homes. A 'home' in the way we have asked for it refers to all kind of dwellings, flats, apartments or houses. People could make a choice between the following categories: via personal contacts, that is colleagues, former owners or friends, via reading or placing ads, housing corporation, estate agent or municipality. The categories on help provided via personal contacts are collapsed into one category called 'personal contacts'.

[Table 2](#) shows that more than 25% of the respondents found their homes via social contacts. Interestingly, buyers find their houses more often via social contacts than renters. Further, of the respondents who found their homes via informal means, the majority named only one person who helped them find their house. Help from family members was received by 44%, 40% received help from acquaintances and merely 16% said they received help from friends. The ways in which people could help ranged from selling or renting the house to the respondent himself to providing information on homes. About one-quarter of those who reported that they found

Table 2

Ways of finding a home (source: SSND; $n = 1007$; weighted percentages; without those who built a house themselves, $n = 73$, results in $n = 934$).

Way of finding	All (%)	Buyers (%)	Renters (%)	Difference buyers–renters (p -value of t -test)
Personal contacts	25.4	27.7	21.4	0.20
Estate agent	20.7	29.2	6.4	0.00
Reading or placing Ads	14.8	18.1	9.4	0.03
Housing corporation	12.9	3.7	28.8	0.00
Municipality	12.4	5.5	23.9	0.00
Total (n)	934	589	345	

their house via personal contacts stated that they bought or rented the property directly from their contact person. Whether people found their houses via social contacts or in another way constitutes the binary dependent variable in the first set of analyses.

The second outcome variable is the satisfaction with the housing found. Respondents were asked how satisfied they are with their house: 3.1% were extremely dissatisfied and 2% indicated that they were not really satisfied, 28.1% deemed their dwellings reasonable and the majority of 66.8% was very satisfied. We collapse the first three categories together and analyse what makes people highly satisfied in a binary logistic regression analysis.

4.4. Independent variables

4.4.1. Respondent's network and network size

We measured a person's social network through listing names of alters with whom the respondent undertakes certain activities or exchanges. In the Appendix, a list of these name-generating questions is provided. When counting the number of alters, we excluded the network members one came to know after the move—these are rather a consequence than a cause of having moved to a certain place. Social networks change over time, and especially if a person is moving, his or her network is likely to change—housing influences network formation (Glaeser and Sacerdote, 1999). In the subsequent analyses, the total number of alters in various parts of the social network whom respondents knew before the move represents the network size. We are aware that the exclusion of those network members whom respondents have met after moving is only a partial remedy to the problem of retrospective measurement of the situation during and just before the move: some alters with whom respondents had contact at the time of the move have dropped out of the network.

4.4.2. Diversity

To indicate the occupational and status diversity of someone's network, information from a position generator (Lin and Dumin, 1986) has been used. In the position generator, respondents were asked, for 30 different occupations spread evenly across the occupational prestige scale (running from 0 to 100 points), whether they personally knew anybody who held these occupations. These occupations represent different statuses and are frequent in the Dutch workforce. The position generator measures the number of different occupations the respondent has personal contact with, a measure that gives information about the range of accessed social positions.²

4.4.3. Contact status

For the assessment of the influence of the status of the network members, the mean socio-economic status of the persons whom the person knew before moving is used. If there were no

people in the social network, the mean contact status is set to 0; the highest mean status of a social network in the analyses was 78.7.

4.4.4. Knowing a person in the neighbourhood and urgency of the move

Furthermore, people were asked straightforwardly whether they knew anyone in the area before they moved to that neighbourhood. In addition, respondents reported their reasons for moving. Moves connected to a fixed date, like an ending contract, and those that resulted from changes in life, such as starting a new job or a new education, were considered to be urgent. Moves that occurred because of a desire to change living circumstances were considered not urgent.

4.4.5. Buying or renting and market conditions

We asked straightforwardly whether the home is the respondent's own property or whether they rent it. Since this is a dataset from personal interviews, it does not contain information on market conditions. The Dutch market for houses for rent is fairly regulated, and therefore average renting prices in an area will not be included in the analyses. Yet, the prices of houses for sale are far less regulated. We used data from the Dutch Union of Estate Agents (NVM) on average prices of all kinds of houses and apartments in 76 regions in the Netherlands, which go back to 1985. These average prices are based on house sales by estate agents. They should be closely linked with overall trends in housing prices, since estate agents have to compete with other sellers of houses. For all buyers, the price in their area in the year of the move is considered the average housing price. Since people moved in different years, prices are corrected for inflation as given by the Central Bureau of Statistics of the Netherlands (2006).

The reference year in which the prices equal the prices corrected for inflation is 1989. The inflation to the year 1990 was 2.2%, hence area prices in 1990 were divided by 1.022. These corrected housing prices range from 44.26 thousand Euros to 150.48 thousand Euros. In very few cases, houses in the same region were built in the same year and have the same average housing price.

4.4.6. Relation to neighbours

Since satisfaction with the neighbourhood has been shown to influence satisfaction with housing (Morris et al., 1976), trouble with direct neighbours will be taken into account as well. Furthermore, the date of construction, the respondent's estimate of the price of the house as well as the type of house (detached house, non-detached house, apartment and other) will be taken into account. Additionally, because it has been shown that owners are more satisfied with their houses than renters (Elsinga and Hoekstra, 2005), we controlled for ownership. We also included the length of residence in the house, because this might affect relations to neighbours. In addition, tenure might also be related to satisfaction, although arguments on the direction point in different directions. For example, if one stays longer in a certain house, one might arrange with all kind of discomfort and hence satisfaction might be higher. On the other hand, one also can argue that the perception of distur-

² One occupation on the list is 'estate agent', but results hardly change if they are not counted.

bances becomes more incisive through time and hence, satisfaction decreases with tenure.

4.4.7. Other control variables

It has been shown that network size and other network characteristics vary by age, education, sex and race (Fischer and Oliker, 1983; Marsden, 1987). Although those who have larger networks have a higher chance to find what they need via their contacts, they do not necessarily use them to a greater extent, possibly because they also have the financial and human capital to use other means. Chang's (2005) research on how people acquire information on saving and investment options uncovered that richer people rely less on social networks and consult different sources of information, such as newspapers, professionals or acquainted bankers. The poor, however, are often confined to using social networks as their sole source of information (Chang, 2005). Therefore, the effects of *socio-economic status* as a proxy for resources that are useful in finding a house through formal means should be taken into account when testing the hypotheses. We included the measurement of socio-economic status using the transformation of the ISCO88 codes, the Standard Classification of Occupations (see International Labor Office, 1990; Ganzeboom et al., 1992). One also could argue that people of a lower economic status may not be able to afford an estate agent or an advertisement in the paper and could therefore be restricted to searching via informal means.

Other individual characteristics are taken into account because they could also influence how people find their house. For example, people of an older *age* might want to be more independent of others and might therefore be less likely to search for a home via personal contacts. In addition, we controlled for the *geographical distance between the old and the new house*. Because one can probably find a home more easily as well as accidentally if one lives close to the new destination, we included a measure of whether one has been living in the same neighbourhood before the move.

In preliminary analyses, we also inquired into the effects of sex. We did not include this variable in the final analyses, because no influence on the way people found their home has been established. We concluded that it is rather the household than the individual who moves. Many households consist of both a woman and a man and therefore a respondent's sex might be irrelevant.

Lastly, we did analyse *buyers and renters* separately because the damage potential of buying a house is greater than that of renting a house. Preliminary analyses showed that other hypothesized conditions seem to have different influences on buyers and renters too. Renting a house is apparently a situation which differs considerably from buying.

Table 3 shows all the descriptive statistics of the variables used in the analyses.

4.5. Decisions made to overcome data limitations

As already mentioned, the dataset contains information on people's social networks at the time of the interview and not at the time of the move. Above, we mentioned that this causes a problem for the analyses, because networks change through time and can even be a consequence of housing. Because of this limitation, we considered only the alters already known by ego at the time of the move and excluded those who were met later on. Furthermore, in order to limit memory biases, we included only those respondents who have moved within the last 10 years, which applies to about 50% of the respondents.

Furthermore, people who built their houses were not asked during the interview if they were helped by anyone to acquire a tract of land on which to build. Therefore, the respondents who built their own houses were excluded from the analyses.

After also excluding those who moved longer ago than 10 years, 514 cases remain for the analyses on finding a house via personal contacts.

Table 3

Descriptive statistics for key dependent and independent variable (source: SSND; $n = 515$ respondents, who moved within the last 10 years and who bought or rented the new home).

	Min	Max	Mean	s.d.	Skewness	Kurtosis
Way of finding a home						
Finding a home via personal contacts	0	1	0.264	0.441		
Placing or reading ads	0	1	0.198	0.399		
Municipality	0	1	0.103	0.304		
Housing corporation	0	1	0.150	0.357		
Estate agent	0	1	0.285	0.452		
Satisfaction with home						
Being highly satisfied	0	1	0.622	0.485		
Network conditions						
Network size	0	21	7.463	3.360	0.330	0.321
Network diversity	0	28	14.967	5.640	−0.117	−0.418
Socio-economic status of network members (average)	0	78.833	47.014	11.729	−0.468	1.518
Contextual conditions						
Knowing someone in the neighbourhood	0	1	0.521	0.500		
Urgent move	0	1	0.126	0.332		
Average prices in area	44.262	150.479	90.201	20.018	0.303	−0.079
Control variables						
Age	17	64	39.718	10.794	0.477	−0.614
Socio-economic status	16	87	51.363	15.520	0.001	−0.720
Having lived in same neighbourhood	0	1	0.117	0.321		
Problems with neighbours	0	1	0.245	0.430		
Age of house	1	600	44.701	50.040	5.325	44.394
Non-detached house	0	1	0.468	0.499		
Flat	0	1	0.266	0.442		
Tenure	1	10	4.560	2.790		
Estimated current value of home	1	10	4.048	2.194	1.018	0.470
House is own property vs rented property	0	1	0.617	0.487		

Another problem in the data is that the area into which a person moves is not a completely exogenous characteristic: possibly people move to a certain area because they know somebody who can help them to find a house there. This would lead to an overestimation of the causal effect of knowing somebody in the neighbourhood on finding a house via social contacts if one assumes that the area into which a person moves is fixed. Having information about the person who lives in the neighbourhood could solve this problem, e.g. the likelihood that this person has influenced the move increases with tie strength. Yet, unfortunately, we only know whether one knew a person in the area and have no information about the relationship between ego and alter here.

5. Results

Before testing our hypotheses, we inquired into the relationships with those who helped in attaining a house. Who are the network members who helped to find a home? Table 4 shows the role relations that were mentioned by our respondents. Interestingly, those who helped to find a home were in the first place acquaintances and in the second place family members. If parents, parents-in-law and other family are taken together, family ties are the most important ties for finding a home. There are, however, probably not many other relational functions provided to that extent through strong ties on the one hand and weak ties on the other hand. Furthermore, in the Netherlands, one only rarely acquires a house via a work-related social contact.

In the following, we first answer the question of under which circumstances people are more likely to find their house via social networks. Thereafter, we show the impact of the way in which a house was found on the satisfaction with the house.

5.1. Finding a house via social contacts

Table 5 presents our models that test the hypotheses on finding a home through social ties. Note that, while the table presents the final models, at the bottom of the table model improvement when adding groups of variables is shown. Model improvement when adding network characteristics is for buyers at the border of significance; for renters it is significant. For the buyers as well as for the renters, the context in which the move is made, i.e. its urgency and whether one already knows somebody in the area, has an influence on network use. Note in addition that none of the control variables like age, socio-economic status and having lived in the same neighbourhood affect the likelihood of finding a house via social contacts.

The first hypothesis stating that people with larger networks are more likely to find their home via social contacts is confirmed for renters, not for buyers. For renters, contact with an additional network member is associated with an increase of 23% in the odds

of finding a house via a social contact. On average, the network consists of 6 persons, who one has known before moving to the new place.

Furthermore, the second hypothesis, stating that the diversity of the network also enhances the chance to find a house through social ties, is confirmed for buyers, but not for renters. However, the effect is rather small: every additional occupation that buyers are able to access increases their odds of finding a house via social contacts by 6.5%. Thus, a larger size of a network makes renters more likely to find their house via social networks and a greater diversity of its members makes buyers more likely to find their house via personal contacts.

We also hypothesized that people who have a network with a higher average socio-economic status are more likely to find their home via social contacts. However, the results show that a higher average social status of the network members makes neither buyers nor renters more likely to find their house via social networks. In a further analysis (not shown here), we inquired whether higher status people help to acquire more expensive houses. We calculated the interaction between average prices in the area and status of the network members. This interaction is at the border of significance ($p = .069$) but the change in odds is with .999 not relevant.

Concerning the influence of the contextual situation, the circumstances of the move, when searching for a house, our results are the following: as hypothesized, knowing someone in the area of the house before moving significantly increases the chance that people find their homes via social contacts. For buyers who know someone in the neighbourhood, the odds of finding their home via social networks are more than five times as high as for those buyers who do not know anybody yet. For renters, this effect is only half as strong: the odds that renters who have contacts in the neighbourhood find their house via social contacts are 2.3 times as high as for those who do not have any such contacts yet. However, and as mentioned already above, for both buyers and renters, the effect may be slightly overestimated, because knowing someone in the area could influence the decision to move to this neighbourhood. In order to inquire into this latter argument, we inquired into the length of relationships between a respondent and his or her network members and compared this figure with the time of the move. In general, about 75% of the network relations are created after the move (family is excluded here). This indicates that networks are more a product of living in a certain place than vice versa.

It was also expected that those who have to move urgently find their homes less often via social contacts. The analysis for buyers reveals that the odds that buyers who have to move urgently find their house via social networks are indeed 74% lower than the odds that buyers with time to move find their home via social networks. Yet, for renters, the opposite seems to be true: the odds that renters who have to move urgently find their home via social contacts are three times as high as the odds that those with more time find their home via social contacts. This effect may be attributable to work placements, since finding a home via work or colleagues also counts as finding a home via personal contacts. If people who find their home via work or colleagues are not considered to find their home via social contacts, the effect becomes insignificant (not shown). Thus, the urgency of a move only makes buyers less likely to find their home via social networks. Renters who have to move urgently are more likely to find their home via social networks, but this effect is due to work placements. Finally, higher or lower average housing prices do not make buyers more likely to have found their home via social contacts.

With all these different effects we have found for buyers and renters—are buyers more likely to find their home via social networks, as we hypothesized? Our analysis reveals that nei-

Table 4

Roles of those who helped a respondent to find a home (in percent of all relations mentioned; source SSND; $n = 136$ respondents).

	Roles of those who helped to find a home ($n = 203$ relationships)	Roles in the whole network ($n = 3133$ relationships)
Partner	3.4	4.7
Parent/parents in law	19.7	8.9
Other family	15.8	16.5
Friend	18.2	22.0
Work relationship	5.0	26.7
Neighbour	9.6	16.6
Member of club/organization	0.5	0.5
Acquaintance	27.6	4.0

Table 5

Binary logistic regression on 'finding a home via a personal contact' (source SSND; only respondents who moved within the last 10 years).

	Hyp.	Buyers (<i>n</i> = 317)		Renters (<i>n</i> = 197)		
		exp(b)	<i>p</i>	exp(b)	<i>p</i>	
Network characteristics						
Network size	+	0.992	0.427	1.234	0.003	
Network diversity	+	1.065	0.015	1.020	0.299	
Mean S.E.s of network members	+	0.989	0.233	0.982	0.222	
Circumstances of move						
Knowing someone in neighbourhood	+	5.151	0.000	2.274	0.029	
Urgent move	–	0.258	0.020	3.027	0.023	
Average prices in area	?	0.992	0.334	–	–	
Control variables						
Age		0.947	0.121	0.987	0.459	
Socio-economic status		0.991	0.430	0.994	0.665	
Having lived in same neighbourhood		0.796	0.593	0.230	0.179	
Constant		0.969	0.980	0.142	0.163	
	–2LL	d.f.	<i>p</i>	–2LL	d.f.	<i>p</i>
Model improvement tests						
Model with control variables only	299.977	3	0.137	165.073	3	0.491
+ Network characteristics	292.889	6	0.069	155.796	6	0.026
+ Circumstances of move	261.276	9	0.000	148.302	8	0.024
	Cox&Snell	Nagelkerke		Cox&Snell	Nagelkerke	
Final model pseudo <i>R</i> ²	0.158	0.227		0.117	0.117	

Note: for directed hypotheses tests are one-sided; for undirected hypotheses tests are two sided. Table provides odds ratios calculated as exp(b).

Table 6Binary logistic regression on satisfaction with the home (source: SSND; *n* = 514 respondents, who moved within the last 10 years).

	Hyp	Buyers (<i>n</i> = 317)		Renters (<i>n</i> = 197)			
		exp(b)	<i>p</i>	exp(b)	<i>p</i>		
Housing characteristics							
		0.999	0.429	0.994	0.186		
		1.304	0.000	1.397	0.000		
		0.603	0.005	0.468	0.024		
	Type of house (ref.: detached)						
	Non-detached house	0.731	0.128	1.730	0.296		
	Flat	0.588	0.058	1.671	0.356		
Way of finding a home (ref.: personal contacts)							
	Reading and placing ads	1.499	0.060	0.693	0.250		
	Municipality	1.317	0.180	1.186	0.350		
	Housing corporation	0.986	0.480	1.265	0.290		
	Estate agent	0.960	0.431	0.256	0.060		
Contact person's status	+	1.002	0.327	1.003	0.370		
Predictors of finding through network							
	Urgency of move	0.640	0.070	0.812	0.642		
	Knowing somebody on the area	1.033	0.838	1.184	0.578		
Control variables							
	Age	0.999	0.879	1.001	0.057		
	Socio-economic status	0.991	0.104	0.981	0.064		
	Length of residence in house	1.017	0.128	1.022	0.230		
	Constant	1.568	0.442	0.792	0.855		
	–2LL	d.f.	<i>p</i>	–2LL	d.f.	<i>p</i>	
Model improvement tests							
	Model with control variables only	999.080	3	0.013	291.885	3	0.016
	+ Housing characteristics	927.335	8	0.000	276.668	8	0.009
	+ Way of finding the home	923.127	12	0.379	271.273	12	0.249
	+ Contact status	922.829	13	0.585	271.115	13	0.762
	+ Important predictors for informal search	919.549	15	0.194	270.571	15	0.910
	Cox&Snell	Nagelkerke		Cox&Snell	Nagelkerke		
Final model pseudo <i>R</i> ²	0.106	0.148		0.135	0.180		

Note: for directed hypotheses, tests are one-sided; for undirected hypotheses tests are two sided. Table provides odds ratios calculated as exp(b).

ther buyers nor renters are more likely to find their home via social contacts. Hence, buyers and renters generally do not differ in their propensity to find their home via social networks, but network attributes and moving circumstances do have different impacts on their likelihood to find a home via social networks.

5.2. Satisfaction with housing

Finally, we analysed whether those who acquired a home via informal channels are also more satisfied with their home. Table 6 shows, similarly to Table 5, the final logistic regression models. At the bottom of the table, improvement statistics are provided for entering blocks of variables into the models of buyers and renters. In these analyses, we controlled for individual characteristics as well as for characteristics of the homes. Apart from the control characteristics of individuals and their length of residence, we also accounted for the fact that the way a house is found is not completely an exogenous process. We therefore included the most important predictors of finding a house through networks, i.e. the urgency of the move and whether one knows a person in the area in the last analysis.

As the table shows, the most important explanatory variables of housing satisfaction seem to be among the housing characteristics, in particular the estimated current value of the house, which significantly improves the models for buyers and for renters as well. Regarding the individual characteristics, for buyers, neither age nor socio-economic status predicts satisfaction with the home. Remarkably, renters with a somewhat lower socio-economic status are more likely to be highly satisfied. In these models, satisfaction with the house is also not influenced by length of residence. Concerning the housing characteristics, as mentioned, a higher estimated current value of the house goes together with higher satisfaction. Furthermore, living in a flat decreases satisfaction compared with living in a detached house for the buyers. Furthermore, for renters as well as for buyers, problems with neighbours lead to less satisfaction.

The ways of finding a home does matter somewhat for the satisfaction with the house. For the renters, we found an effect of estate agents—renters who attained their homes via an estate agency are less satisfied. So, our hypothesis that the way in which one has attained a home matters for its evaluation is not confirmed for the buyers, while it is confirmed for renters with regard to achieving the house via an estate agency. For buyers, we found that they are more satisfied when they found their house through an advertisement, which contradicts our hypothesis. Our other hypothesis, on the influence of the status of the contact person, is not supported, neither for buyers, nor for renters.

Lastly, we found a weak effect of ‘urgency of the move’: buyers who moved less urgently are more satisfied. There is no effect of having known a person in the area on satisfaction with the house.

6. Conclusion and discussion

This is the first study to jointly analyse the likelihood of finding a home via social networks and its impact on satisfaction. In total, a quarter of the Dutch found their homes via social contacts, which makes social contacts the most frequent way of finding a home in the Netherlands.

Buyers with more diverse networks, with respect to occupations, as well as renters with larger networks, were more likely to find their home via personal contacts. Possibly, this is because it is easier to find information on houses for rent than to find information on houses for sale. More diverse networks can provide more

diverse information and hence enable buyers to find a home via social contacts. Renters do not benefit from diverse resources; they might need more persons providing the same type of information and hence benefit more from network size. If this argument is correct, the standard deviation in network members’ status should be smaller for renters, implying that their networks are more homogeneous with regard to status, which turned out to be the case, as we found in additional analyses. The fact that the size and diversity of networks have different impacts for the two types of goals is quite interesting and deserves more attention in future research. Further analysis should more deeply inquire into the question of whether the information for buyers is provided more frequently via ties having a higher status and whether this does not matter for renters.

The finding that the social status of the network did not matter for the likelihood of finding a home via social contacts implies that the process of finding a house is different from the one of finding a job. For finding a house, it seems that it is not status but other attributes of an interaction partner that are of importance.

For finding a home via social contacts, the circumstances of the move are more important than network characteristics. Knowing someone in the neighbourhood of destination highly increased the likelihood of finding a home via social networks, indicating that the location of the network alters plays an important role in finding a home via social networks. Furthermore, buyers who moved urgently were less likely to find their home via social contacts, which supports the idea that networks are (or at least are perceived as) a slower means of finding a home. Nevertheless, urgently moving renters were at first sight more likely to find their home via social networks, but additional analyses revealed that this was due to work placements.

Even though other effects were found to differ between buyers and renters, buyers were just as likely as renters to find their home via social contacts. This contradicts the idea that buyers, because they are confronted with a higher risk and hence a higher damage potential when purchasing a house, are more dependent on reliable information that is provided by social ties. It might also imply that people do not expect social contacts to provide more trustworthy information than the media, the municipality, housing corporations or estate agents do.

The average housing price in the area at the time of the move did not influence buyers’ probability of finding their home via social networks. Maybe the positive effect of acquiring information earlier and the negative effect of acquiring very limited but detailed information cancel each other out. It could also be the case that none of these effects work.

A comparison of our findings for renters with the findings of Abraham and Kropp (2000) strengthens the result that larger networks facilitate finding a home via social contacts for renters whereas their network diversity is irrelevant. Abraham and Kropp (2000) found that renters are less likely to find their home via social networks if they have to move urgently. Renters in our study who had to move urgently were more likely to find their home via social networks due to work placements. These different findings could result from different measurements in the study. Overall, the effect of urgency on renters’ propensity to find a home via social contacts remains unclear.

Finding a home via social networks does not per se increase housing satisfaction. Buyers seem to be even more satisfied when placing an advertisement than with help from a network member. Renters are more satisfied with a house that is found through social contacts, in particular compared with home attainment through an estate agency. The socio-economic status of the contact person did not increase the satisfaction level for buyers or renters,

which contradicts the argument from social capital theory that social capital mobilized via higher social strata leads to better outcomes. Probably, other social resources than a contact person's status are important when looking for a house. This is an interesting difference, since in the studies on job searching it has been shown that a contact person's status does matter for the achieved occupation. So, the finding that the status of the network member does not matter for the satisfaction with the house might indicate differences in goods, i.e. houses vs jobs. However, it can also be the case that this matters for the quality of the attained house, yet not for its evaluation. Furthermore, it might be the case that people who have difficulties in finding a house mobilize their social networks more intensively, yet, when they finally attain a house through social ties, they are not happy per se with it. In general, any of these processes may play a role here and therefore act against significant results (cf. Franzen and Hecken, 2002).

With respect to the theoretical implications of our results, we know only the outcome of the search process, i.e. how people found their homes, but not how they have looked for them. People might combine various search methods when looking for a home. Our data provide no information on the different ways people searched for their home: we only know how the home is found. So, we do not know which method is the most successful in the end. In line with that, it would also be interesting to compare failed attempts to find a house through networks with successful attempts in order to discover under which circumstances networks become 'productive'.

Overall, while houses are often found via social relations, it seems questionable to interpret this as a social capital effect: or, said differently, the outcomes of this type of social capital are not beneficial per se. First, the social capital of the contact person did not increase the satisfaction with the house. Second and more generally, finding a home via social contacts was not always beneficial. Hence, it seems not to be true that information acquired via informal sources is generally more reliable, of higher quality, or more detailed and consequently enables home seekers to choose a better home. Only renters seem to be better off if they find their home via personal contacts. Given our results, we can conclude that an increase in social inequalities due to network use in the search for a home seems not likely.

To assess the role of personal networks more precisely, future research should look in more detail into the different search methods and investigate which method is the most successful one. Furthermore, one would like to investigate the relationships between local relationships and housing satisfaction more precisely. In our study, only renters' satisfaction was affected by their relationships with neighbours. This finding and the lack of influence for buyers deserve much more attention. We did not inquire into the physical aspects of the house and the neighbourhood such as, for instance, the maintenance of the building and littering in the neighbourhood. Also, the social composition in the neighbourhood has not been taken into account. In a society with many racial conflicts, neighbourhood composition concerning racial heterogeneity can be expected to matter a lot. In the Netherlands, neighbourhood composition is quite homogeneous, at least compared with the US. Finally, the finding that the social resources of the respondents as well as of their network members did not matter indicates that, in the process of attaining a house, other resources than socio-economic status play a role. It could also be the case that financial resources are more important here, because we did find effects of estimated current price on satisfaction. Yet, given that so many people attain a house through a personal contact, it is worth investigating the social resources involved in this process more deeply anyhow.

Appendix A

Alters elicited with the following name generators were included in the computation of the size of the social network:

- (1a) If you have a problem at work, whom do you ask for advice?
- (1b) How is it the other way round? Are there also people who come to you for advice concerning problems that they have at their work?
- (2) Consider the time you work with others. Who are the two colleagues you are working with most of all?
- (3) May I have the first name and the first letter of the family name of your boss or supervisor?
- (4) If you need help in and around the house with odd jobs, like moving furniture, holding a ladder, whom do you ask?
- (5) Does someone – who is not a member of your household – have a key to your house?
- (6) Who are your direct neighbours? 'Direct' refers to the people who live the closest to you; those who live in the house/flat to the right or left to you? I would like to have two names.
- (7) A lot of people go to visit others in their leisure time. To whom do you usually go for a visit?
- (8) Life is not always about going out and having fun. Everybody needs someone else to talk about some more personal matters from time to time. With whom did you discuss personal matters in the last 6-months?
- (9) If we go through the list of names we have made: is there anyone else who is important to you and who is not yet on the list? If yes, I would like to add this person to the list.

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